

## **Causes of Money Management Problems:**

**By CBSI Media**

Money management problem has its causes. Below are some examples:

### **1. Lack training on the use of money in the home:**

When parents do not teach their children on how to manage money in the home, there will always be money problems. When they do not invite their children to take part in decision making on how to spend family income, and when these children grow up, they usually end up spending their money unwisely and have money problems. Here in Solomon Islands, the use of notes and currency as a means to purchase goods and services is a new habit and parents don't have the experience to pass on the financial literacy to their children.

### **2. No Communications Between Husband and Wife on How to Spend and Manage the Family Income:**

Studies relating to many troubles' homes reveal that one of the main causes of rows in the home is money related. When couples never sit down together to set a plan or how to spend their family income, financial problems always exist.

### **3. Lack of Emotional Maturity:**

This is similar to the first cause, but when young couples married and start to live under one roof, because they did not receive any proper training in the home on how to use money wisely, they spend their income wildly. They might buy things that they do not really need. They are not matured enough to set their family goals and how to achieve goals through their financial goals. Because they lacked emotional maturity, they end up developing money problems.

### **4. Lack of Financial emotional nutrients**

Unnecessary pressure on income has financial consequences. When individuals lack emotional cognizance and mental toughness to rationalize and absorb pressure from social peers, persuasive advertisements and unnecessary commitments, they end up spending their income unnecessarily and run into money problems.

### **5. Influence of Media Advertisement:**

Persuasive advertisement on the radios, TV and newspapers tell us what we should do with our income. They invite us to spend money on things like soap, soft drinks, clothes, food, or to use a particular service. Commercialization of common families to spend large sums of money on gifts that are not necessarily good for the family savings. Because of these pressures, we unknowingly buy things that are not needed but cause us to spend our money.

### **6. How to Avoid the Causes of Money Problem**

Teach your children early in the years on how to manage money. Teach them how to use their allowances, to budget for their expenses, save for what they want to buy and donate charity.

Plan on how to spend the family income. Husband and wife must sit down together to work out cash flow budget on how much is earned and how income will be used. Nonmatter how little the income is, sit down together and make budget on how to use it or save the family money.

Be an educated consumer. Do not let the advertisers for the products or services in the media decide for you how you are to spend your money. Remember sellers of goods and services want to makes their money out of you.

Remembers saving little money over time can make your savings grow. Put part of your income as savings for rainy days. It is certain that we will meet some unexpected things in the future and small amount saved over time can help when the unexpected thing happens to us.

The End//

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